AMENDMENT

In the Claims

The following Listing of Claims will replace all prior versions, and listings, of claims in the application.

Listing of Claims

1. (Currently Amended) A method of administering an investment contract between pairs of investors, comprising:

associating a contract with a first investor, wherein the contract is based on at least one underlying commodity having a market value, wherein the first investor does not hold the underlying commodity or agree to buy or sell the underlying commodity and wherein the first investor deposits funds in an account in an amount equal to a maximum potential loss to the first investor;

matching the contract with a second investor thereby creating an active contract, wherein the second investor does not hold the underlying commodity or agree to buy or sell the underlying commodity, and wherein the second investor deposits funds in an account in an amount equal to a maximum potential loss to the second investor;

at least temporarily freezing the first investor funds and the second investor funds associated with the contract;

determining [[which]]<u>whether</u> one of the first and second investor is to receive a [[payoff]]<u>payment</u> based on the market value of the underlying commodity upon expiration of the contract in relation to one of a target price and a target price range; and

[[paying off]]<u>paying</u>[, using]the frozen first and second investor funds[[,]] to one of the first and second investor upon expiration of the contract <u>if either the first or second investor is to receive a payment, otherwise, returning to each investor his deposited funds;</u>

wherein expiration of the contract is based on at least one of a deviation from a target price range and a specified maturity date.

2. (Currently Amended) The method of claim 1

wherein a price movement [[having]]<u>has</u> a direction [[is]]defined by comparing the target price to the market value of the underlying commodity upon expiration of the contract,

wherein the contract specifies an expiration date, a first and second expected direction associated with the first and second investor and a fixed lump-sum [[payoff]]<u>payment</u>, the specified expiration date,

first and second expected directions and fixed lump-sum [[payoff]]payment being set by the first and second investors, and

wherein the [[payoff]]payment is selectively transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement of the commodity in relation to the first and second expected direction.

3. (Currently Amended) The method of claim 1

wherein a price movement [[having]]has a number of ticks and direction [[is]]defined by comparing the target price to the market value of the underlying commodity upon expiration of the contract,

wherein the contract specifies an expiration time, a first expected direction and first dollars per tick associated with the first investor, and second expected direction and second dollars per tick associated with the second investor, [[and second expected direction associated with the first and second investor and dollars per tick]], the specified expiration time, first and second expected directions, and the first and second dollars per tick being set by the first and second investors, and

wherein the [[payoff]]payment is calculated and transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement, the number of ticks and the first and second dollars per tick.

4. (Currently Amended) The method of claim 3,

wherein the contract further specifies a cap, and

wherein the [[payoff]]payment transferred to one of the first and second investor is limited by the cap.

5. (Currently Amended) The method of claim 1,

wherein the commodity has a market value at expiration of the contract, and

wherein the contract specifies an expiration date, a first target price range associated with the first investor, a second target price range associated with the second investor and a fixed lump-sum [[payoff]]payment, the specified expiration date, first target price range, second target price range, and fixed lump-sum [[pay off]]payment being set by the first and second investors, and

wherein the fixed lump-sum [[payoff]]payment is transferred to one of the first and second investor upon expiration of the contract based on the market value of the commodity upon expiration of the contract in relation to the first and second price ranges.

6. (Currently Amended) The method of claim 5, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor if the market value of the commodity upon expiration of the contract falls within the first target price range.

7. (Currently Amended) The method of claim 5, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor if the market value of the commodity upon expiration of the contract falls within the second target price range.

8. (Currently Amended) The method of claim 1,

wherein the commodity has a market value upon expiration of the contract,

wherein the contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor and fixed lump-sum [[payoff]]payment, the expiration date, bounded price range, and fixed lump-sum [[pay off]]payment being set by the first and second investors, and

wherein the fixed lump-sum [[payoff]]payment is transferred to one of the first and second investor based on one of the market value of the commodity upon expiration of the contract in relation to the price range.

9. (Currently Amended) The method of claim 8, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor if the market value of the commodity reaches the upper cap prior to the expiration date.

10. (Currently Amended) The method of claim 8, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor if the market value of the commodity reaches [[one of]]the lower cap prior to the expiration date.

11. The method of claim 8, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the first investor.

12. (Currently Amended) The method of claim 8, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the second investor.

13. (Currently Amended) The method of claim 1,

wherein the commodity has a market value at expiration of the contract, and

wherein he contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor, a target price and dollars-per-tick, the expiration date, the bounded price range, target price, and dollars-per-tick being set by the first and second investors, and

wherein a [[payoff]]payment is calculated and transferred to one of the first and second investor upon expiration of the contract based on the market value of the commodity upon expiration of the contract in relation to the price range.

14. (Currently Amended) The method of claim 13, wherein the [[payoff]]payment transferred to one of the first and second investor is limited by one of the first and second cap.

15. (Currently Amended) The method of claim 14, wherein the [[payoff]]payment is transferred to the first investor if the market value of the commodity reaches the first cap prior to the expiration date.

16. (Currently Amended) The method of claim 14, wherein the [[payoff]]payment is transferred to the second investor if the market value of the commodity reaches the second cap prior to the expiration date.

17. (Currently Amended) The method of claim 13, wherein the [[payoff]]payment is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associated with the first investor.

18. (Currently Amended) The method of claim 17, wherein the [[payoff]]payment is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick.

19. (Currently Amended) The method of claim 13, wherein the [[payoff]]payment is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associates with the second investor.

20. (Currently Amended) The method of claim 19, wherein the [[payoff]]payment is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick.

21. (Currently Amended) A system for creating an electronic exchange for trading in and administering investment contracts between pairs of investors, comprising:

a computer system operable to

(i) associate a contract with a first investor, wherein the contract is based on at least one underlying commodity, wherein the first investor does not hold the underlying commodity or agree to buy or sell the underlying commodity, and wherein the first investor deposits funds in an account in an amount equal to a maximum potential loss to the first investor;

(ii) match the contract with a second investor thereby creating an active contract, wherein the second investor does not hold the underlying commodity or agree to buy or sell the underlying commodity, and wherein the second investor deposits funds in an account in an amount equal to a maximum potential loss to the second investor;

(iii) at least temporarily freeze the first investor funds and the second investor funds associated with the contract;

(iv) determine [[which]]whether one of the first and second investor is to receive a [[payoff]]payment based on the market value of the underlying commodity upon expiration of the contract in relation to one of a target price and a target price range; and

(v) pay[[off, using]] the frozen first and second investor funds, to one of the first and second investor upon expiration of the contract if either the first or second investor is to receive a payment, otherwise, returning to each investor his deposited funds, wherein expiration of the contract is based on at least one of a deviation from a target price range and a time horizon.

22. (Currently Amended) The system of claim 21

wherein a price movement [[having]]has a direction [[is]]defined by comparing the target price-to-the market value of the underlying commodity upon expiration of the contract,

wherein the contract specifies an expiration date, a first and second expected direction associated with the first and second investor and a fixed lump-sum [[payoff]]payment, the specified expiration date, first and second expected directions and fixed lump-sum [[payoff]]payment being set by the first and second investors, and

wherein the [[payoff]]payment is selectively transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement of the commodity in relation to the first and second expected direction.

23. (Currently Amended) The system of claim 21,

wherein a price movement [[having]]has a number of ticks and direction [[is]]defined by comparing the target price to the market value of the underlying commodity upon expiration of the contract,

wherein the contract specifies an expiration time, a first and second expected direction associated with the first and second investor and dollars per tick, the specified expiration time, first and second expected directions, and the dollars per tick being set by the first and second investors, and

wherein the [[payoff]]payment is calculated and transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement, the number of ticks and the dollars per tick.

24. (Currently Amended) The system of claim 23,

wherein the contract further specifies a cap, and

wherein the [[payoff]]payment transferred to one if the first and second investor is limited by the cap.

25. (Currently Amended) The system of claim 21,

wherein the commodity has a market value at expiration of the contract, and

wherein the contract specifies an expiration date, a first target price range associated with the first investor, a second target price range associated with the second investor and a fixed lump-sum [[payoff]]payment, the specified expiration date, first target price range, second target price range, and fixed lump-sum [[pay off]]payment being set by the first and second investors, and

wherein the fixed lump-sum [[payoff]]payment is transferred to one of the first and second investor upon expiration of the contract based on the market value of the commodity upon expiration of the contract in relation to the first and second price ranges.

26. (Currently Amended) The system of claim 25, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor if the market value of the commodity upon expiration of the contract falls within the first target price range.

27. (Currently Amended) The system of claim 25, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor if the market value of the commodity upon expiration of the contract falls within the second target price range.

28. (Currently Amended) The system of claim 21,

wherein the commodity has a market value upon expiration of the contract,

wherein the contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor and -fixed lump-sum [[payoff]]payment, the expiration date, bounded price range, and fixed lump-sum [[pay off]]payment being set by the first and second investors, and

wherein the fixed lump-sum [[payoff]]payment is transferred to one of the first and second investor based on one of the market value of the commodity upon expiration of the contract in relation to the price range.

29. (Currently Amended) The system of claim 28, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor if the market value of the commodity reaches the upper cap prior to the expiration date.

30. (Currently Amended) The system of claim 28, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor if the market value of the commodity reaches [[one of]]the lower cap prior to the expiration date.

31. (Currently Amended) The system of claim 28, wherein the fixed lump-sum [[payoff]]payment is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the first investor.

32. (Currently Amended) The system of claim 28, wherein the fixed lump-sum [[payoff]]payment is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the second investor.

33. (Currently Amended) The system of claim 21,

wherein the commodity has a market value at expiration of the contract, and

wherein the contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor, a target price and dollars-per-tick, the expiration date, the bounded price range, target price, and dollars-per-tick being set by the first and second investors, and

wherein a [[payoff]]payment is calculated and transferred to one of the first and second investor upon expiration of the contract based on the market value of the commodity upon expiration of the contract in relation to the price range.

34. (Currently Amended) The system of claim 33, wherein the [[payoff]]payment transferred to one of the first and second investor is limited by one of the first and second cap.

35. (Currently Amended) The system of claim 34, wherein the [[payoff]]payment is transferred to the first investor if the market value of the commodity reaches the first cap prior to the expiration date.

36. (Currently Amended) The system of claim 34, wherein the [[payoff]]payment is transferred to the second investor if the market value of the commodity reaches the second cap prior to the expiration date.

37. (Currently Amended) The system of claim 33, wherein the [payoff]payment is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associated with the first investor.

38. (Currently Amended) The system of claim 37, wherein the [[payoff]]payment is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick.

39. (Currently Amended) The system of claim 33, wherein the [[payoff]]payment is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associated with the second investor.

40. (Currently Amended) The system of claim 39, wherein the [[payoff]]payment is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick.